

# REPORT

—OF—

J. H. KOEHLER

Acting President

—OF—

## AMERICAN GINSENG GROWERS' ASSOCIATION

—TO THE—

Ginseng Growers of America

SB 295  
G5A25

To the Ginseng Growers of America:

Some time ago, you were sent literature regarding the AMERICAN GINSENG GROWERS' ASSOCIATION. You were sent this either upon your own request or some mutual friend asked us to send it to you. You were also sent an application blank and your membership was solicited. Not having received your application for membership, or perhaps not even an acknowledgement of receipt of the literature we naturally wonder and ask, "Why not?"

Perhaps the literature did not reach you. If such is the case, please advise and we will be pleased to send you some more.

If the literature has reached you, then why have you not sent in your application for membership? Certainly it can not be because you do not favor co-operation as outlined in the literature.

If the plan of organization as outlined in the literature does not seem to meet with your approval, which can hardly be possible, read the literature once more. Read it not with the mind of an outsider, but place yourself in a position as if you were already a member and see if the points, that were not to your liking, will not become clearer.

The plan of organization has been worked out by your representatives with the greatest of care; it represents years of study by men directly interested—growers—and it meets with the hearty approval of the three existing state associations—Michigan, Wisconsin and Minnesota—as you will see by the following:

"To the Ginseng Growers of America:—

This is to inform you that the American Ginseng Growers' Association was organized at a meeting of delegates, the authorized representatives of the three live and active State associations, with a few individual growers or "self-appointed" delegates from other parts of the country.

The meeting was called by unanimous vote of the Michigan State Association at the Summer Meeting, Aug. 2 and 3, 1916. The form of organization adopted was supported and approved by the authorized representatives of all the three State organizations. It had been discussed in open meeting in two of the associations and was the plan favored by practically all of the members; in fact, no descending vote was heard. It has been ratified by all of the three State associations.

It is not the work of any one man or group of special interests, but of three strong State associations acting through their chosen and instructed representatives. As these three States are the only ones organized at the present time, the American Ginseng Growers' Association represents all of the organized growers in America. These three organizations represent small as well as large growers, and all have equal voice, the small growers, if any, predominating, as they are the most numerous. The president of the American Ginseng Growers' Association is not a "large grower." The American Ginseng Growers' Association is organized under the law for co-operative associations of the State of Wisconsin. The laws under which it is incorporated provide full security for the rights and interests of every member, large or small. The men in charge of the affairs

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of the Association are not acting on their own initiative, but were chosen by the representatives of the ginseng growers and assigned to the duties they are performing. They are conscientious, honest men, as well as men of business ability. The By-Laws of the Association and the law under which it is incorporated contain certain provisions under which they can be "recalled" or removed by the members if they prove unsatisfactory. As no National Association can succeed without the support of these three State Associations, we advise and urge you to join and support the organization they have formed and ratified.

Yours truly,

Michigan State Association of Ginseng Growers,  
By (Signed) Emer L. Wilder Secretary.

Wisconsin Ginseng Growers' Association,  
By (Signed) C. S. Leykom, Secretary.

Minnesota Ginseng Growers' Association,  
By (Signed) F. C. Erkel, Secretary.

The above should be sufficient evidence and remove all doubt from the mind of the most skeptical. Besides, the association now has a membership of 103, as you will notice from the enclosed circular. All of these members approve of the form of organization, are heartily in favor of the general movement and recognize the fact that it is the only way out of our present deplorable condition.

To further strengthen the position of our association, we will give you a synopsis of what took place at the annual meeting of the Michigan State Association of Ginseng Growers, convened at Lansing, Mich., January 24-26, 1917.

Pres. C. W. Vining, in his annual address, said, "There are other things of great moment before us today—the national association," and mentioned that Mr. F. B. Olney and J. H. Koehler were present and could tell the meeting more about it. After which a general discussion followed:

(Owing to its length, we will not quote literally, but will cover only the principal points of what each person said. However, as through the courtesy of Mr. F. B. Olney, our association has been furnished with a complete copy of the discussion, verifications can be made at this office.—J. H. K.)

*Secretary Wilder:* One thing I had in mind, in the National movement, is securing the co-operation of growers in handling the disease situation. If we could secure co-operation, we could handle this problem to better advantage.

*Mr. Devlin:* If we are going to accomplish anything in this National association, we have to send a good, live man to China—a good man like—(speaker mentioned a prominent New York middleman.) He has been dealing with Chinese all his life.

*Secretary Wilder:*—I understand the National association will be a great help to us.

*Mr. Pen Kirk:*—Mr. Kirk said it seemed to him, that the National association could take up the goldenseal proposition much easier for the reason that it is all of one grade, but expressed doubt as to its handling ginseng, for the reason that the Chinese require different roots at different places. He then told about his experience "in mark-

et" and how the New York buyers had treated him rather cool on account of what he had written in the "Journal" regarding the National Association.

*Mr. F. B. Olney:*—Mr. President, Gentlemen,—When a man gets paid off, he is supposed to be discharged. I got my pay last night. My report is right here, it consists of the prospectus of the AMERICAN GINSENG GROWERS' ASSOCIATION, the By-Laws and the few comments that I made upon it.

Now, gentlemen, we have all been a little bit discouraged at the price we have been receiving for ginseng. Perhaps it is our own fault; we have not been, some of us, in a position to exercise the required ability necessary. There are two things that are necessary to make any kind of business a success, whether it is operated by an individual, by a partnership, by a corporation or any other form. These two are sufficient capital and good management. The lack of either one of these will put you down and out, and a part of good management consists not only in caring for the product, but in the proper selling of it.

I believe that there is a market for any and all of the ginseng that we are growing, if we can find it. There is for most anything that is made. As an individual, we can none of us go very far, the expense would be too great. If we can get into some kind of agency or organization, I believe that we can, in connection with proper study of the conditions of the market, find out where one kind of root is desired and where another kind is desired, and in that way place our products where they are wanted.

The company, that I am interested in, has got at the present time one thousand pounds of ginseng. For me or my partner to go around and find a market for the different kinds of root that we have, would use up more than we could get out of it, in expense. If, on the other hand, we could club together with fifty other men, who have roots to sell, and send a man who had some knowledge of marketing conditions, he could undoubtedly dispose of our stuff, and it would not cost as much as if we did it ourselves; in other words, by dividing it,—the expense of the sale,—among the fifty, it would not be a very burdensome charge. One of the greatest expenses, in my idea, at the present time is the high cost of selling our commodity. It might surprise you to know that the cost of selling an article of ordinary manufacture, is equal to what it costs to make it.

Now then, this organization is called to your attention. It is not an organization antagonistic to this body. There is no intention of doing away with the Michigan Ginseng Growers' Association or any other State Association. It cannot take the place of them; it wants their support and it wants to work with them. It has a field of its own.

As one of the delegates at the Chicago meeting, I will say that the men were quite unanimous; they did not want to form any antagonistic organization, they did not want an aggressive one. They did want something that could handle our output. Your committee has done the best it knew how; it is now up to you. The thing cannot be carried out unless it has financial support and I hope that each one of us present, will come forward and give us strong financial support. I think a careful study of the By-Laws will convince you all that it is

put up on a fair, square basis, that everybody's interest will be looked after equally. Those of us who were at the meeting subscribed for a small amount of stock. I, for one, took five shares, \*\*\*\*\* \$50 worth. We did that for the purpose of paying the informal expenses.

Now, I feel we have to have such an organization as this, or else we will have to quit, and I expect to take more stock. I expect to put \$500. into it, if necessary \*\*\*\*\* not because I think it is going to pay any dividends,—I am not looking to that part of it,—but I think it will place the selling of the product in such shape that we will have less trouble and we will realize more out of it. I hope, that you gentlemen, who have had this correspondence, have looked it over carefully, and if so, you have undoubtedly made up your minds. If there are any questions, we will answer them the best we can.

*Mr. Dressle*:- What tendency do you think the joining of this National Association will have to break up our State Associations?

*Mr. Olney*:- I should seriously hope, that it would have none, that, if anything, it will aid the State Associations. Your State Association is a very necessary proposition.

*Mr. Dressle*:- I have not received this paper. My impression, that I got through letters and one thing and another, was, that in order to be a member of the National Association, a man ought to be a member of a State Association. If so, that would keep our State Associations going and there would be a tendency to feed our Associations in that way.

*Mr. Olney*:- That would hardly be possible, to make that limitation, as there are only, I think, two or three States that have a State organization.

*Mr. Dressle*:- I thought there were fifteen or twenty.

*Mr. Olney*:- There are growers in fifteen or twenty. If there are any more associations than that, they are hardly alive.

*Mr. Custer*:- We might have the headquarters of the Association over here.

*Mr. Olney*:- That is a very good suggestion. When I started for Chicago, I thought perhaps we might have it organized under the laws of Michigan, but there were some questions that came up and we couldn't just see how it could be worked just that way. When I came to find out what the law was in Wisconsin, I saw, that several provisions were better there.

I will tell you one or two little points. We didn't want a thing put up where it would get into the control of one or two men. It was not a stock jobbing proposition, and it is hard to control in an ordinary corporation with the ownership of stock. Under the laws of Wisconsin, we were able to put in this section, No. 6 of Article III: "At any regular meeting, or at any regularly called special meeting of the stockholders of this Association, each stockholder, irrespective of the number of shares of capital stock he may own, shall be entitled to one vote only." So that if you own one share of this stock, you have one vote, and if somebody else owns one hundred shares, he has one vote. You are on an equal basis as far as the voting is concerned. A great many times some people are afraid that some few will go around and buy up the controlling interest, and use it for their own

purpose. That is made absolutely impossible in this legislation.

*Secretary Wilder:*— I have studied the law for co-operative associations in Michigan, Illinois and Wisconsin. That provision, in regard to one vote for each man, is common to all co-operative associations in all of the States in which I have studied. I think, wherever they have a special law for co-operative associations, they have that provision. But there are provisions in the Wisconsin law that I think make it the best for an incorporation of a National organization. For a small, local organization, our Michigan law would be best, but for a National organization and a large one, such as we would have to have for this business, the Wisconsin law is undoubtedly the best thing, and I do not believe we could form a successful co-operative association under the Michigan law for a large National organization.

*Mr. Kirk:* I will be glad to hear from Mr. Koehler on the subject before I say anything.

*Mr. Koehler:* I prefer to hear from Mr. Kirk first. His name appears next on the program.

*Mr. Kirk:* Mr. Kirk said in effect that he had been kept in ignorance as to the progress of the Association; had been told by Mr. Koehler not to publish certain matters regarding the Association but which he thought should be published in his journal, for the New York buyers had told him, that they were getting everything regarding its progress. He said further, that he had received letters from Canadian growers, wanting to become members, but that he did not know how to answer these letters, for he did not know anything more about the Association than a hog further than reading the By-Laws.

*Mr. Koehler:* You mustn't believe everything that some of the New York buyers tell you.

*Mr. Kirk:* Mr. Kirk told more about his sixteen days "in Market;" that he had seen samples come in from executive members of the association (feeling apparently that he had been doing underhanded work, but when he found that members of the association were also selling, he felt relieved and justified in selling his own ginseng as well as that of others.—J. H. K.) Mr. Kirk then said, that there were 1353 buyers in New York and referred to them as a disease that the association would have to fight; that if he could have gotten \$8.00 per pound, he would have been glad to take it, but that the buyers said no to him and told him, "Send this stuff in through the regular way. We can't pay you the price unless you send it in through the regular way." But he said, "We have to recognize these buyers in some way, they are hunting the market for us every day. \*\*\*\*\* We have to deal with them. \*\*\*\*\* They have men in their places of business that are Chinese and we can't ignore those men." The Chinaman would not buy from him; they told him, "We cannot buy except through the regular channels." Mr. Kirk said, "You cannot sell to a Chinaman to save your neck."

Mr. Kirk admitted that the association is a good thing, saying, "The buyers will buy from them as quick as they will from an individual, rather quicker, because they like to buy in large lots, they will give you a better price." He admitted further, that the centralized brotherly system of the Association in sticking together was an advan-



tage that could not be gotten rid of (apparently regretting this fact.—J. H. K.)

Mr. Kirk indicated further that the buyers had a system or an agreement that they would not overbid each other, for all offers for his samples were exactly alike, no matter where he would go. (They apparently saw him coming.—J. H. K.) And he indicated that the association will have to sell to the same New York buyers, just as the individual.

Mr. Kirk said further, "This matter of one member having one vote doesn't amount to anything. \*\*\*\*\* Your officers are elected. \*\*\*\*\* What is the voting for? \*\*\*\*\* When there is a man to be elected, he is elected; it is done somehow or other, and so the voting question doesn't amount to anything." (He ignores the fact that the Directors are only servants of the members of the association and that they are not fixtures but subject to be removed by a majority vote, if they do not do their duty satisfactorily.—J. H. K.)

*Mr. Vining:* What is your idea of our ability to get right into the Chinese market?

*Mr. Kirk:* I don't believe we will ever be able to get into China at all, and Mr. Koehler will agree with me. \*\*\*\*\*

*Mr. Dressle:* When you had those samples and went to sell your seng, I think you said they were marked by number?

*Mr. Kirk:* Yes; no names to them at all. I had the names in my pocket.

*Mr. Dressle:* I have done similar things in my nursery business. Now, have you tried changing those numbers to find out by doing that whether or not this thing might not have been telephoned from one to the other?

*Mr. Kirk:* Oh, no, they never saw those numbers. (Must have been blind.—J. H. K.)

*Mr. Dressle:* Lots of times those things are understood and passed along by telephone in a few minutes' time. If you changed those numbers around, you might find out whether they were doing that or not.

*Mr. Kirk:* There was only one case of that kind. I sent this man out to find a market, and he had one peculiar sack that was colored differently from the others and he had it down in a Chinese store. There happened to be a buyer, and when that buyer came to my room and looked at the sample, he said, "I saw that sack down in Chinatown yesterday." That was the only instance of that kind. I had every tag sewed to the bottom of my sacks so that nobody could have seen it. (Of course, it was impossible to see the bottom of the sack.—J. H. K.)

*Mr. Dressle:* So you made sure of that point?

*Mr. Kirk:* Yes. I was very careful not to let them get onto that part of it.

*Mr. Goodspeed:* Is it your opinion, from what you saw there, that there is a strict combination between the dealers?

*Mr. Kirk:* There is a unity of understanding between them. One won't bid against another, he won't go into another one's place of business to buy.

*Mr. Goodspeed:* But supposing you went to one dealer and

failed to make a sale, have you any idea that another dealer would be governed entirely by the first dealer's offer.

*Mr. Kirk:* Not unless he told him and described me secretly.

*Mr. Goodspeed:* I never have believed that there was any combination among the dealers. There is sharp competition.

*Mr. Kirk:*—Seng was down from 80c to a dollar a pound when I was to the market, except the last day, it bid up a quarter more. \*\*\*\*\* I went to a place to bid a man good-by, and he said, "Kirk, I am feeling pretty well today; it is up a little today.—But," he says, "there is no day but what I make some money in here. \*\*\*\*\*" (Of course, he had reasons to feel good, for he was that day turning the ginseng at a profit,—the ginseng you had forced upon him at a time when he did not want it.—J. H. K.)

*Mr. Goodspeed:* I had not intended to enter into this discussion at all, but one circumstance that happened last fall will throw light on this matter of competition between dealers. I cannot remember just the date, but I think it was the latter part of September, a man by the name of \_\_\_\_\_ of Kentucky sent me a sample of his ginseng and told me how much he had. I made him an offer of somewhere about \$5.00, and I didn't hear anything for some little time. One Monday morning he came into my office, introduced himself, a man I never had seen, and he told me that he had sold his ginseng in New York. He was one of the typical mountaineers of the South,—however, an educated man. He stayed two or three days and we got well acquainted. He told me his experience in New York. The first man that he struck was a dollar below the offer that I had made him. Then he went on telling me the various offers that the different ones made to him. He said he finally sold it to Mr. \_\_\_\_\_ for twenty cents on the pound more than I had offered him. But there you see there was a \$1.20 range in the competition as between those dealers, and I know of hundreds of circumstances almost identical with that, and they have led me strongly to believe that there was no real combination of the dealers. As I have said many times in "Special Crops," if there is, I don't know anything about it, and I certainly am not connected with it.

*Mr. Kirk:* I have several other reasons that make me think there is this combination. I don't know that I have any positive figures to convict them of being in an organization, but that fact, that you cannot sell it only through the regular way, means something.

*Mr. Goodspeed:* There was another circumstance that might bear on Mr. Kirk's idea of the situation. Two or three years ago, there was a man by the name of \_\_\_\_\_, who sent out some circulars, advertising he would pay \$12.00 a pound for wild ginseng. The Chinamen got hold of that and they immediately boycotted Mr. \_\_\_\_\_, and in their organization bound themselves to forfeit \$1,000. for any Chinaman that went into Mr. \_\_\_\_\_ place of business or bought an ounce of root of him, or bought of anybody that had bought from Mr. \_\_\_\_\_. That shows there was some combination among the Chinamen, but there was sharp competition among the dealers. What the Chinamen objected to was, that Mr. \_\_\_\_\_ made that high price to the growers. Now the



Chinaman does enter into that end of it; if one of those dealers down there in New York makes a big, extremely high price on wild roots, the Chinamen kick up a row about it every time.

*Mr. Kirk:* This stuff that sold for \$12.50, they sold it the next day and got more than that for it.

*Mr. Knowles:* I understand Mr. Kirk says the Chinese are going to have it and they won't buy it only through the regular channels. What would be the result if the growers would not give it through the regular channels? They might as well tell them that now as to keep on selling through the regular channels and quit after some years.

*Mr. Kirk:* You are right about that, but you have got to drop thirteen or fourteen hundred dealers who have the market for this stuff.

*Mr. Knowles:* It is not necessary for a few growers to support thirteen hundred dealers in New York. The Chinese will buy the stuff from us, if they can't get it from the dealers.

*Mr. Kirk:* I am simply stating the market as I found it and have seen that we will either have to sell to those fellows or make a new deal with the Chinese.

*Mr. Knowles:* I believe the new deal is the only deal.

*Mr. Vining:* We could do better if we could get sixty-five or seventy-five per cent of the growers to come with us in this Association. We could just tell those Chinamen they have got to buy of us. But, of course, if we cannot get enough of them, they will stand against us.

*Mr. Rose:* We wouldn't have to say a word to the Chinamen, if we had enough of us standing together.

*Mr. Goodspeed:* Do I understand there are 1300 of these dealers in New York City?

*Mr. Kirk:* Yes, sir, and they sell to about twenty and they sell to one.

*Mr. Knowles:* And they are all buying ginseng?

*Mr. Kirk:* They are all there. They all buy a little stock of ginseng or a little goldenseal or something else, and it comes into a few hands. They do not all advertise, but they will all buy.

*Mr. Koehler:* Mr. President, I don't believe I have much to say. Officially, I haven't anything to say but what I have said in that prospectus and a little pamphlet I have sent out recently to all those who called for information. But I have found this,—a friend of mine told me one time that if a man wants to know who he is and how he stands, all he has to do is to enter into politics, or accept a position of trust, and he will soon find out who he is and what he is. I have found out, since you gave me this position, that I am a crook and everything else that is bad.

The speaker, (Mr. Kirk) made the remark that he was kept in ignorance of what is going on in matters of the AMERICAN GINSENG GROWERS ASSOCIATION. I wish to defend myself there and say that *he has been given every information firsthand, everything that has been done in this movement so far as I am concerned.* He further sarcastically said, that our By-Laws are indefinite as to the

part of the country we take in. I take it that Canada is on the American continent and is therefore included.

The speaker should, if he has the welfare of the association at heart as he tries to make believe that he has, refer such inquiries to me, for he certainly knows that I am in charge of the affairs of the association. However, as the speaker was present at every meeting until the matter was turned over to me at Chicago, and as a copy of the prospectus, minutes of all other meetings, etc., has been sent him, he knew exactly what was going on. But I did ask him not to publish the prospectus or minutes of meetings, thinking it not good business to publish anything of this nature in a public publication and also I had no authority to allow him to publish minutes of meetings, which are rightfully the private property of the members of the association and *not public property*. The fact is, it seems the speaker (Mr. Kirk) does not want to give any information about the association. I have received letters from people indicating as much. One man writes:

"I have been waiting to receive printed matter and instructions, etc., relative to the new association, as I gave instructions to Mr. Kirk to give you my name, as I was anxious to become a member of the new organization."

Mr. Kirk has never sent me such names. And has anyone ever noticed anything in his journal indicating that he favored the association outside of what was published by the association and paid for?

The speaker (Mr. Kirk) calls the present middlemen a disease. Now, whenever I have said anything publicly, I think, unless I was asleep, and I usually am not, I have never accused the middlemen, the present buyers of ginseng, as a class of being swindlers. I have never dealt with a fairer set of people, and I have trusted them absolutely. I thought that some asked for a larger credit than they are entitled to. For instance, some that are rated in the commercial report at \$3,000. to \$5,000, would not accept a C. O. D. shipment. One man asked me to entrust him with a \$15,000. shipment and I did and he has treated me fair. Once one showed a yellow streak and last fall there was a little of that inclination with another, but I will withhold judgment. In the latter case, the agreed price was \$4.80 per pound and when the shipment reached him, the claim was made that the roots were not up to the sample. We were to blame in letting him have it for \$4.00. It was not the buyer's fault, it was my associates' fault. It was our fault that it went for less than it was worth, it was not the buyer's fault. We do not propose, at least I, as a grower, do not propose to antagonize any one of the present middlemen. The trouble with the growers has been this. Many have insisted on selling them the goods when they did not want them. Can you blame a man for buying cheap if he is not ready to receive your goods? Who wouldn't do the same thing; we are all after money. If there is anybody here that says he isn't, I think he is a hypocrite.

The speaker (Mr. Kirk) said, that I would agree with him, that we could not sell direct to China. I do agree with the speaker, that so far as individual growers selling their individual crops in the Orient is concerned, or taking a trunk full of samples there, that that would be folly, and not practical; but collectively, joined in an association, there is no reason in the world why the association can not sell its product direct to

the retailers in China and I say this association *can* and *will* sell ginseng *direct in China*.

I admit, and I think your representative, Mr. Olney, will admit, that our By-Laws are not yet perfect. That is why we want your co-operation to help us make them perfect. I believe you could puncture them all to pieces, but we did the best we could, the best we knew how at the time. That is about all I have to say, unless you want to ask some questions.

*Mr. Kirk*: By way of explanation, when I said when we have a disease we have got to argue the matter along the line of health, I did not mean anything that had any reference whatever to the buyers. I did not speak of them as being a disease,—as a pest, but I did infer that we had a market that was unsatisfactory and we have got to argue from the line of health in the market in order to get it where we want to get it. That is what I meant exactly.

*Mr. Goodspeed*: It is my desire while here to help if I possibly can. I want to leave the convention now soon, and before I go, I think I will tell you a little experience that I have had in selling direct in China. I have been shipping direct to China now for twelve or thirteen years. The only way that I have been able to sell direct to China is by using a Chinaman at the other end of the route, for the Chinese are opposed to dealing with foreigners. My deal is consummated with an Englishman. That Englishman has a Chinese manager, and the only one that the Chinese consumer knows and recognizes in that deal is the Chinese representative over there in Fouchow. You have a long hard struggle before you if you expect to deal as an American firm located in China. There are several people that sell there on commission, and I imagine, that as an Association, you might possibly, in the course of two or three years, by associating yourselves with a Chinaman in China, establish a direct sale to the Chinese. But if you go there to sell as Americans, establishing your house there in China under the management of a foreigner, you have a hard proposition on your hands.

*Mr. Koehler*: We realize that we have a hard nut to crack. I also want to say that I agree with what Mr. Goodspeed said a while ago. I do not believe there is any conspiracy or any combination between the buyers in this country, the so-called middlemen,—I haven't found any. But there is a very strong Oriental organization that we are up against and we have slept too long. I quoted from one consular report in our prospectus, which report was published in 1913, which sets forth very plainly, I think in so many words, that there is such an Oriental organization. As a result of that organization, their production, their output and all output, goes through one channel for the purpose of upholding prices which they have set, thus crowding out of the Oriental market all foreign dealers. After they have accomplished that, they will be in a position to tell consumers over there that there is no more "Melican" ginseng to be had. The result will be that the prices of the Oriental product will go up and we "Melicans" will have nothing to do with our ginseng but to make soup of it. Some seem to be under the impression that they want our ginseng so badly that they were willing to relieve us from the trouble of shipping it across the

water. In my opinion they have another purpose in mind, and that is, to crowd out of the Oriental market the so-called foreign dealer and simultaneously the American ginseng.

History tells us that the consumers have wanted our ginseng for two hundred years, they have bought every ounce we have produced and there was never an over-production for all those two hundred years, and I believe that they will still buy it, if we come over there and show them that we have the goods. For a while they might make it hot enough for us; they will make it appear, if they can, that we cannot sell one pound of ginseng, but even so, if we find out nothing else, except that they do not want to buy our ginseng, we will have accomplished something. I, for one, want to know whether it is time to stop growing ginseng, or to go ahead. Either way will satisfy me, but I believe I would rather see it stop altogether than go on under present conditions.

*Mr. Goodspeed:* I believe that if you could only get a majority of the ginseng growers firmly united as a solid body and then simply lie back,—do nothing,—I believe the matter would work out and the trade would come to you; but just so long as you have not a balance of power, the thing is going the other way.

*Mr. Kirk:* There isn't any doubt about it, it is a difficult thing to sell.

*Mr. Devlin:* Why should the sale of American grown ginseng to the Chinese differ from that of other American products in China. We have the largest pharmaceutical houses in the world in America and I know of at least a dozen that have branch houses in China, supplying their products by the thousand to the Chinese people.

*Mr. Goodspeed:* May I interrupt to ask if those branch houses are under the control or management of foreigners, or are they immediately managed by Chinese?

*Mr. Devlin:* They have their own offices and representatives. They employ men who are very familiar with Chinese methods and people, I admit that; but what I want to know is why this proposition should differ so greatly from any other of the same kind. We are exporting millions of dollars worth of stuff every year in China.

*Mr. Goodspeed:* It would not differ if you get it worked up to the point that those other things are worked up to.

*Mr. Devlin:* It will never be worked up till it is started. You have to have a starting point.

*Mr. Goodspeed:* Most certainly.

*Mr. Devlin:* Of course there is one difference in the fact that the method of supplying it has been for a long time through Chinese buyers in New York City and their co-called middlemen, as it is today; but I fail to see why an Association cannot be formed, with headquarters in Hong Kong, or some other real Chinese port, and transact business direct. I would like some enlightenment on that subject, why that should differ from any other business proposition. You all know that we have scores of houses in this country that have branches over there. I do business with the Chinese myself, and not through New York at all,—have done for the past eighteen years.

*Mr. Rose:* I can't see why that central house needs to be over

in China. If we have, say, 75 per cent of the growers with us and make up our minds to control the market in the United States, why couldn't we control that market in New York just as well as to have it over in Hong Kong? I can't see why we want to go out of our native country to control our market.

*Mr. Koehler:* My only answer to that question would be that we have slept too long. The time may have come that that Oriental combination can furnish the immediate demand for ginseng without our American ginseng, and in that event, it would be necessary to prove to the consumer that the American ginseng can be had by showing it to them. As an individual—I am not speaking officially—as an individual, I would say that I think our first tryout ought to be here, not go across the water; but if they show signs that it must go over there through the regular channels, we will go right there, go to the place where they want the goods, and show them that the goods are to be had. American ginseng will sell on its merit. While I was writing that prospectus, a letter came from a high authority in China, wanting to buy all the ginseng seed I could spare, and buy it at any price I should ask. Why should they want that seed if our product is not the right quality? American ginseng will sell on its merits if the selling is properly handled.

*Secretary Wilder:* We certainly have not solved this problem of market yet, but we do know that, with a centralized organization, it can be solved. This National Association does not know yet just the way to get the most profit in the selling of its ginseng, but they will find out, they will study conditions the same as any other seller; they will go where they are getting the most for it; they will have more of an incentive to go where they can get the most for it, because they are producers.

*Mr. Koehler:* Referring once more as to whether there exists a combination between the buyers,—the so-called middlemen of this country: I really believe, had the middlemen combined, we growers would have been better off, but their interests are not as vital as ours as growers. We have, besides our money, our reputation at stake,—we are considered crazy fools,—while the middlemen had nothing at stake. I think, if they had associated in a combination, working towards the upholding of prices, we would have fared better at their hands. Somebody has referred here in a sarcastic way to these Jews. I believe we should not use that name, "Jew," in an antagonizing way. The Jew is just as proud of his ancestors as we are of ours. I am not ashamed of being a German descendant, and the Jews have a right to be proud of their ancestors. Furthermore, I believe that this association, after we get it going, can make no better selection of a salesman than to employ one of those very Jews to handle our sales for us. Get the one who has made the most money out of us, for the man that is able to make money for himself is a good man to employ, while the one who is not even able to make anything for himself is not worth having.

*Mr. Goodspeed:* I believe that there is one way that this Association can be handled successfully. My idea would be, a strong organization financially to concentrate your ginseng and if a man has got

to sell his ginseng, needs the money, make your Association strong enough so you can advance him, say, 50 per cent of a reasonable price on his ginseng. Then concentrate your ginseng, get it together, don't be in a hurry to sell. There are so many people that want to sell just as soon as the market opens in the fall, and when they insist upon doing that, that knocks the price down. I believe your strength should be along the financial line. Get in shape so you can advance a man, that has to sell, a reasonable percentage of what your best judges would call the value of his ginseng. Get your root together and hold it and the Chinaman will come to you, if you get in that position; he is bound to come to you.

*Mr. Kirk:* May I read a few lines of this consular report, which will dispose of the question of the method of getting into China? It is direct from Mr. Cunningham. He says:

"The ginseng sold in the Hankow market is dried and clarified, and the dealers know nothing of the distinction between wild and cultivated ginseng. The price of ginseng is lower at the present time than at the corresponding period of last year or for some years preceding. The local firms rarely import direct, but through Hong Kong firms, and as the trade is strictly in the hands of Chinese it is exceedingly doubtful about your being able to make any local connection for the sale of this article in this district."

That was my authority for saying we have got to go through the regular channel, and we will never get into China in any other way.

(I don't believe that is a consular report at all. I think I have seen all consular reports regarding ginseng and never saw one like it. I believe it is nothing but personal correspondence. What I understand by a consular report is an *official report* made by our foreign representatives through our commerce department at Washington, D. C., and not what someone might say off-hand to some one-horse newspaper man in order to get rid of being annoyed by him. Further, what is true, locally, in one district, does not necessarily govern all over China. Still, your correspondent shows you plainly that you might establish yourself at Hong Kong. I have heard no one say that we expect to establish ourselves at Hankow.

This calls to mind an incident of some years ago when an ex-consul, who apparently had a grudge against the ginseng industry of this country, wrote to a Minnesota paper asking the publication of an article knocking the industry and asked that other papers copy the article so as to set the minds of the American people right on the ginseng craze. He said that it was a fake and that there was absolutely no sale for American ginseng in China. I made investigations and found that in the very same year 5,000 pounds of ginseng had been imported into that same city and what is more, seventy-five per cent of it was American. So you see that sometimes these so-called consular reports are not altogether reliable.—(J. H. K.)

Consul E. Charlton Baker, in his official report to Washington, dated March 29, 1915, after explaining how ginseng prices are manipulated in China by the dealers, says:

"American ginseng producers should, if possible, have their own agents at Hong Kong and get the business into their



own hands to prevent this sort of manipulation. It appears that ginseng cannot be treated properly in America and must be clarified, as well as graded, at Hong Kong. There is no reason, however, why American dealers cannot combine to take over the business in China and adjust prices in such a way as to encourage the use of their output."

*Mr. Koehler:* As said before, so far as selling individual crops direct to China, that is not at all practical. I have sold some ginseng directly in China at \$13.00 a pound, but that was not selling an entire crop by any means. Each little retailer has his little trade educated up to a certain quality—a certain kind—for their wants. The moment he offers roots that are different from those, his customer becomes skeptical; he thinks that it is not as good as what he is used to and he doesn't want it, though it may be ten times better. I have for years sold ginseng on the Pacific Coast, at from \$10.00 to \$10.50 a pound for a quality that I could not get over \$5. at New York; but it must be a certain class. But that we cannot sell direct to China at all, that is ridiculous; of course we can sell there. If we can't sell it ourselves, we can hire a Chinaman to do it for us, *but under our own management*.

*Mr. Goodspeed:* I imagine that you might interest some of the commission houses over in Hong Kong and get in touch with the trade in that way.

*Mr. Koehler:* Just how these things are to be done, we are not prepared to say officially. So far as we have gone in this National Association movement, the management is left to a Board of Directors. Just as soon as enough applications for membership have come in, creating a capital sufficient so that, in the judgment of the Board of Directors, the Association can hope to do business successfully, then the Board of Directors will get together and agree on a working plan. Personally, I wouldn't care to tell you at this time my ideas in the matter; I don't believe any of the Directors would; but we would like to hear from some of you as to how you think we should handle things. Then your representatives will get together when the time comes and work out these working plans. If you don't like them, oust your Board of Directors,—they are not fixtures,—and get somebody who will do better.

*Mr. Kirk:* I believe one Board of Directors will do as well as another. I have no objections to the Board of Directors that are in there; do not understand me to say that I have. They are as good business men as you can find anywhere.

*Mr. Vining:* Then the quicker we get to doing business and let this Board of Directors get to work, the better. This rag-chewing and brotherly-love talk doesn't accomplish anything. I want to make application for membership and take some stock.

*Secretary Wilder:* I believe that this Association ought to put their official approval upon this movement.

I move that we, as an Association, approve of and adopt the plans of the AMERICAN GINSENG GROWERS' ASSOCIATION and will use our influence to further it.

Motion supported and carried with no negative votes.

*Mr. Olney:* Mr. President, we have not any detailed working

plan yet of this thing. What we are offering you gentlemen, is an opportunity to come in and help us to form a strong company, which will be solid financially, sufficiently so to be recognized as a business proposition, and then, after it is financed, it will be up to the Directors to study the market conditions and decide whether they will go to China and sell ginseng or whether they will sell it on this side of the water—we cannot tell yet, we don't know, we have to study the conditions. When we have done that, then we will be in position to map out a line of work to follow. But it is going to take constant study to keep that up. If you are manufacturing nails, you are not going to a grocery store to sell your goods, or to a tailor store; you are going to a hardware store. We have to get our product through some channel before the party that uses it. It is going to be up to the Directors to study this question carefully and find the channel through which we can sell it at the least expense. Another thing, we have to study the requirements. You can't sell a man nails if he wants groceries. If a man comes into a store and wants horse shoe nails, you have to sell him horse shoe nails, not ten-penny spikes. If a man wants a long, slim root, you have to sell him that. We can find, I believe, an outlet for every kind of root we have. We can't do it in a minute. Whether this Board can work it out or not, I don't know. If we can't it is up to you to fire us.

*The Chairman:* I believe there have been some very good suggestions made here. As it looks to me, I don't see how any ginseng or goldenseal dealer on the American continent can see anything wrong with a movement of this kind. It is just such movements, having been properly made and put through, that have achieved the greatest successes in all kinds of business. See what the California Fruit growers were up against. You can take any line of business that is properly organized and conducted, and it is the surest and quickest way to success. In the past, we have been divided; you might say that the growers were in competition with one another. United, we will stand; divided, we will fall. And I, for one, want to become a member of the AMERICAN GINSENG GROWERS' ASSOCIATION. I have a little money, I haven't much, but what money I have to spare, I am going to buy stock with.

*Mr. Goodspeed:* I am here, not to take notes; I have not taken any and I shall not go home and print anything in "Special Crops," excepting such as the officers of this Association may see fit to give. I think very likely Mr. Kirk will feel the same way about it, I do not know as to that. But I will not write up anything and have not written up anything. I would like your Secretary, after consultation with the Officers of the Association, to write me concerning this matter and send me just what you like to have printed.

*Mr. Koehler:* In behalf of the National Association, I want to thank Mr. Goodspeed from the bottom of my heart for the promise he makes, not to publish anything except what is given him officially. Your attitude is appreciated, Mr. Goodspeed.

*Mr. Goodspeed:* Thank you.. I will say in addition to that, "Special Crops" is open to this Association and to the National Association at any time; there is no charge for advertising, or anything

else; it is open to you; that is, so long as you do not call one another names, or anything of that kind.

*Mr. Koehler:* The reason why I appreciate your attitude is this: until we, as Directors, get together and frame definite working plans, if we all talk in a haphazard way, our ideas are bound to differ and by talking too freely about our ideas, we are liable to cross our wires and cause suspicion and shatter confidence in place of establishing confidence, and, gentlemen, confidence, between the growers and their association, is what we need, or our undertaking is not going to be successful. You all know that there is bound to be some difference of opinion among men, and it is always better that they get together in a small circle and thresh out their differences among themselves and then come out with one idea.

*Mr. Dressel:* I look at this talk to be something like when we are in Scripture reasoning. We seem to differ considerably, but after all, when you come to simmer it down, we are all after the same point where we want to agree to join in this thing and go ahead in backing up this Association.

*Mr. Warren:* I can't see but what the results are bound to be satisfactory and the proper thing now is for each one of us to come up, make application for membership and subscribe for stock in this thing and get your neighbors to do it also. I will take \$100. worth of stock in this proposition, and I want to do it because we, as growers, are down and out unless we do something. And if we can get 60 per cent of the growers together, we can do something. It may be considerably later before we are able to handle any of our root; in the meantime we are at liberty to sell our root as best we can.

*Mr. Goodspeed:* There is a possibility of merging the New York buyers with you.

*Mr. Koehler:* That can all be considered when we come to the point of doing business.

*Mr. Custer:* (Called upon) I have been listening to this discussion and, personally, I haven't got a great deal out of it. There has been a good deal said. For the last five years, I have been attending these sessions and working and taking notes and suggestions and even paying out money for men that were investigating diseases and so on, and we started in with quite a fine prospect of ginseng. There must be something in our soil that seems bound to bring us down and out. It wouldn't be any use for me to go into this Association until you can insure me that I can raise ginseng in some way; I have done all in my power to raise it and I can't do it.

*Mr. Koehler:* I would like to say in answer to that, that so far the talk has been on lines which indicate that this is only a selling organization. It is not. In fact, I believe, that a very important point is, that we may co-operate in methods of growing and overcoming our troubles in the growing of the plants as well. We all know we cannot hope to sell an inferior article at a big price. We will have to have the right product in the first place, and, collectively, we can of course handle those diseases much better than we can individually.

*Mr. Vining:* There is one point that has not been touched on.

I rather think, from reading the literature that I got from Mr. Koehler, that it is proposed, after receiving subscriptions for stock, that if the Board of Directors finds it is impossible to go through with this thing, that our money comes back to us, except such amount as is necessary to defray expenses up to that time.

*Mr. Koehler:* Yes, that is the idea. You see, we didn't know whether this thing could be pulled through and we thought it necessary to make a provision of that kind. There is no use in our trying to do business with a few hundred dollars; it simply couldn't be done. It was advocated by some, that capital was not needed, but I never saw yet in any other business, that anything could be done without capital.

*Mr. Brigham:* This talk has all been about ginseng. Does it include goldenseal, too?

*Mr. Koehler:* Oh, yes; it is mentioned in the By-Laws, ginseng and other medical plants. We made that very broad so that we can do most anything.

*Mr. Brigham:* My interest is so small that I don't know that I ought to say anything. But it seems to me that you have a pretty large proposition when you undertake to organize the ginseng growers, especially to control the market. While I believe this movement is right and that it ought to be worked out, still you will have to think the matter over pretty carefully and have your plans pretty well laid, and it seems to me, you must have some arrangement, whereby, if necessary, the ginseng, belonging to growers, can be held for one or two years, until they know that they over there have to buy it through the Association and there must be enough of it in that body to make it an object. If you haven't a method of holding it for one or two years, you cannot do that.

*Mr. Goodspeed:* I have ginseng in my home that has been there for a year and a half; I have somewhere from fifty to sixty barrels there that do not belong to me; it is held in trust for different individuals. If your Association gets onto its feet and gets the confidence of growers, I do not believe you will have a particle of trouble along that line. The grower of ginseng is of greater intelligence than the average farmer. If he is assured of getting benefits in the end, he is not afraid of holding his product even for one or two years, if you can show him any good reason. If this Association gets on its feet and gets the confidence of the growers, I believe 75 per cent of the growers will be perfectly willing to trust their product in the hands of their own Association. I think it is true, that a large percentage of the growers would be financially in position to hold their product. But my idea is, that this Association should be sufficiently strong so that, if the grower must have it, it can advance him a certain per cent of the value of his ginseng.

*The Chairman:* If the ginseng output for one year, say,—start in with the 1917 crop, hold that back,—supposing we are sufficiently organized by the first of next September so that there will be 75 per cent of the 1917 ginseng crop to be held in trust with this National Association, the chances are that, if 75 per cent of the American ginseng crop is held in one place, there will be somebody looking after it and wanting to know why they are not getting hold of it. For my

part, I do not believe we would have to go without selling our ginseng more than one year, and my opinion is that, by doing so, we would be mighty well paid for hanging onto it; that we would get mighty big interest for our money. But we can't do anything unless we all stand together.

*Mr. Koehler:* It is very true, as Mr. Goodspeed suggests, that we ought to be in position to advance a small percentage on the crop of small growers. I advocated that in Wisconsin, but it was claimed we could not get sufficient capital interested. However, I think that if we would show the dispensaries of credit that the Association intends to do business strictly along business lines, we will have no trouble borrowing from the banks. These banks are in the market to loan money, they want to loan it and get the interest. When we have a million dollars worth of ginseng stacked up somewhere and they know we are doing business along business lines, we will get some money. The farmers are getting it on their wheat certificates.

*Mr. Kirk:* Mr. President, this idea is all right and charitable, but there is another question involved. If a man has good, first class ginseng that will sell well, the Association doesn't need to hold it; it will sell on its merits. It is only the inferior product that is likely to pile up. However, I don't think this matter of holding up the stuff of poor growers would bother us very much.

*Mr. Goodspeed:* My idea would be that the price the root should be sold for should be left absolutely with the Board of Directors. The grower, if he throws his root onto this Association to be handled, I do not believe he should fix the prices, because I do not see how that could work out at all. I think the good root should be held identically with the poor root and when your executive committee should see fit to sell, why, sell the two kinds of crops.

*Mr. Koehler:* There would be no first or last so far as the small or the large growers are concerned. The price would have to govern that.

*The Chairman:* Sure. When the price is right to sell, the stock on hand should go.

*Mr. Koehler:* For instance: if we have, say, ten grades. If one or the other grade sells more readily, we will know that we should raise the price on those grades; supply and demand would govern. I believe as Mr. Goodspeed, if you are going to do any business, you should leave the fixing of prices with your Board of Directors.

*Mr. Brigham:* I agree with that, but evidently there will have to be some means of taking care of this root until it is sold. I also think that committee should not be too large a committee.

*The Chairman:* As I understand the proposed By-Laws of the Association, the Board of Directors is empowered to do all those things. We are trusting to their best judgment.

*Mr. Koehler:* That should be thoroughly understood, when you become a member of this Association, that you have left the management of its business to the Board of Directors, and if you do not like the present Board of Directors, oust them and put in another Board.

*Mr. Kirk:* If a man had all his money in this Association and

the Association didn't see fit to let him have it back, he would be hard up.

*Mr. Goodspeed*: He should consider that before he submits himself to the Association.

(That is where you, if you are a member, get busy with your vote, Mr. Kirk. Not, however, to vote whether, or when, a certain crop of roots shall be sold, or at what price it shall be sold. All that you have left to your representatives. But if your representatives do not do their duties properly—do not conduct the affairs of the Association to the best interest of its members, whose servants they are,—then you vote to oust them and to put others in their places. This will perhaps set your mind at rest as to what voting is for. I think I have heard or read where you have ridiculed and asked what voting is for, and said that voting is unnecessary.—(J. H. K.)

*Mr. Vining*: Suppose I am a member of the Association and I have a bunch of ginseng and I need the money and some of the present middlemen say, "I will pay you a certain price," and that price was very attractive and I sell to him, being still a member, what does the Association do to me?

*Mr. Koehler*: We would proceed against you according to the terms of our By-Laws.

*Mr. Vining*: Under the By-Laws, I have obligated myself to pay into the treasury of the Association ten per cent of the amount received for such sale and in addition thereto such other expense as the Association may have incurred in attempting to effect a sale of the product sold.

*Mr. Koehler*: Yes, perhaps we can afford to allow you to do that. But in extreme cases, you also forfeit all interest in any product that you may have in the custody of the Association, as well as your shares of the stock. Or, if, in the opinion of the Board of Directors, it becomes apparent, that your application for membership was made with the intent to secure stock in the Association to its detriment, you have authorized the Board of Directors to cancel your stock certificate and return to you the money paid for it. So you see that you can be ousted.

*Secretary Wilder*: I don't believe there will be any trouble in regard to advances, if we get the Association on a business basis, where the members will be able to get what money they need, where they will be able to borrow at the banks, if necessary, on their crops. That is one thing that has bothered ginseng growers, the ginseng business has not been on a business basis.

*The Chairman*: There is one little point that has not been mentioned. With the Association we would be sending our roots to men empowered by ourselves to handle them. Heretofore we have been shipping to strangers. Sometimes our roots have been entrusted to men whose financial responsibility is less than the value our roots represented. I am sure I would have more confidence in entrusting my crop of ginseng and goldenseal to men I helped empower to handle it. For, I am part of the organization.

*Mr. Koehler*: You are simply trusting yourself.



*Mr. Goodspeed*: I want to thank you for the cordial greeting you have given me. I am glad to have met with you and I hope at some future time we will meet again. I am very glad to have met you.

(Recess of a few minutes to bid Mr. Goodspeed good-bye.)

*Mr. Koehler*: In regard to the prospects for the success of the AMERICAN GINSENG GROWERS' ASSOCIATION, I am pleased to be able to report that they seem good. Less than one month ago, the first prospectus, By-Laws and application blanks were sent out and already thirty-six applications for membership have come in, together with payments for shares of stock.

You will perhaps recall, that in our prospectus and in "Special Crops" it is mentioned, that it was a man's size proposition and one requiring brains and push to put it over, and the question came up, whether we might have available material of this kind among the growers. In this connection it might be said, that could you be at my office and read some of the letters that are coming in, I assure you, you would have no further doubt. I find that we have the finest kind of material. It is most remarkable, the talent that is displayed in the way of wit, humor and sound business sense. Yes, it makes me feel as though I have to step aside and let someone else who knows how do the work. In fact, it seems as though everybody is working.

It would seem from some correspondence that some of the growers had an idea that this Association was to be solely a marketing organization. In this connection it might be said that the intentions are to co-operate not only in marketing, but to cover all phases of the business of growing ginseng and goldenseal from the seed to the matured root.

One or two inquiries have come in asking how the Association proposes to manage its business. This question is answered in the prospectus and in the By-Laws. Furthermore, all questions of that kind will receive prompt attention when asked, whether by letter or in person. It might be added, however, that whatever will be done will be done strictly along the lines and in accordance with good business principles. Absolutely no fogie methods will be followed.

Gentlemen, the prospects are good. I think the eyes of the growers of America are on this meeting today; they are waiting to see what is done here. The applications to date have not come in from Michigan as much as from other States and I think the growers of the other States are waiting to hear what you are going to do. They knew this matter was to be discussed here. The applications so far are from Wisconsin, 17; Minnesota, 6; Indiana, 3; Missouri, 2; Michigan, 2; Ohio, 1; West Virginia, 1; South Dakota, 1; Kansas, 1; North Carolina, 1; Tennessee, 1.

*Mr. Vining*: It is quite a compliment to you that you are getting so many applications from your home State; it looks as if you had the confidence of your fellow growers. If you had had only one application from Wisconsin, I should have been a little suspicious. You are evidently not as big a crook as certain sources would have us believe. I want some stock.

*Mr. Koehler:* When it was announced in our home paper, that Koehler had been appointed to put into effect this National Association, one grower came in and said, "I want some stock, \$50. now and \$50. later on." He has a little garden in the back of his lot in the city of Wausau.

*The Chairman:* I suggest that the time is ripe, there is no time like the present, fellow growers, to get busy and fill out the necessary blanks and come across for as much stock as our means will allow.

*Mr. Koehler:* I suggest that you make your applications and if you haven't the money today, you can remit it promptly upon your arrival home. It is the intention to follow up the literature, that has been sent so far, with some follow-up literature and I want in that literature to be able to say by whom applications have been made and how much has been subscribed. I think that will help wonderfully to establish, and in some cases to re-establish, confidence.

*The Chairman:* And if, for instance, one man takes one or two or three shares and wants to take more later on, that should be mentioned. I want to take some now and more later. I want to have my amount of shares consistent with my means and with the size of my garden or the income from my garden. If every grower here would do that same thing, there would be no trouble getting enough money.

*Mr. Koehler:* To those who are coming in, we want it understood, that the books will be thrown open and shown to any member. As to my personal business integrity, as well as financial responsibility, I am pleased to be able to refer you, by permission, to the National German American Bank of Wausau, Wis. I could refer you to a half dozen other banks, but as I do most of my banking business with this bank, it should be in better position to give you reliable information. Those of you who are conversant with business methods, know how this is done. And those of you who are not, go to your home banker and if your own credit is good, he will be pleased to find out for you whether or not Koehler is a crook.

You simply need to sign the application blank and turn over \$10. for every share you subscribe for. We prepared application blanks in duplicate so you can keep a copy and know what you have done. Checks should be drawn payable to J. H. Koehler, Acting President.

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(A recess followed during which fifteen of those present, who had money with them, made application for membership, subscribing for a total of thirty-seven shares and others promised to send in their application immediately upon their arrival home.

It should perhaps be mentioned that Mr. L. B. Hetrick, of Indiana, who, it had been announced, was to be present at the Lansing, Michigan, meeting and take part in the discussion of the National Association, did not attend in person, but was represented by an able paper, bringing out some vital points, indicating that he is heartily in favor of co-operation. Of course, Mr. Hetrick is a member and naturally would be in favor of it, unless he wished to be termed a drone or a traitor, and we know he is not of that kind.

A high authority on co-operative associations defines a drone as a grower who joins a co-operative organization and then refuses to patronize it, and adds: "He can not even excuse himself on the ground of bad management, for it is his duty to help secure proper conduct of the business."

And the same authority defines a traitor as being a "man who joins a co-operative enterprise and then, through subtle ways, endeavors to obstruct its progress and defeat its purposes."

But as said before, we know Mr. Hetrick should not be a man of that kind.

We would have been pleased to quote Mr. Hetrick's paper literally, but owing to its length (containing about 3000 words), we had to refrain from doing so. But if anyone is interested, we will, upon request, be pleased to prepare and mail a typewritten copy. It is good reading and should have the tendency of making an association enthusiastic of the one reading it.—(J. H. K.)

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## PROGRESS

The progress of our association is quite gratifying. It is only three months ago since the first Prospectus, By-Laws and application blanks were sent out and already 103 applications for membership and shares have come in, subscribing for from one to ten shares each. The total shares subscribed for up to the date of this writing, April 1, 1917, is 190 shares. The applications are coming from North, East, South and West; growers from seventeen different states and two provinces of Canada have become members.

This growth, we feel, is very gratifying considering the adverse conditions under which we have been working. The growth may not have been as rapid as some may have expected; but to us, it is very encouraging. An undertaking of this magnitude could hardly be expected to be pulled off without serious opposition. We should not expect that the middlemen, who have annually, for the past two hundred years, pocketed the snug sum of about one half million dollars in profits on ginseng and goldenseal, would step aside and let the growers have this "rake off" without most serious protest. They want that "rake off" to continue for themselves and we cannot blame them. But the growers are more justly entitled to it. They can get it, and more too; it is within their reach. United effort through co-operation in the AMERICAN GINSENG GROWERS' ASSOCIATION is the way to get it. *And it is the only way.*

There are said to be about 4000 people in the United States and Canada who are more or less interested in the culture of ginseng and goldenseal. We have so far only a small portion of these names. Help us to come in contact with all of them by sending us the names and addresses of all growers you know of so that we may send them literature relative to our association. Many have done this, why not you also? By doing this, you will do them, as well as yourself, a favor. The benefit will be mutual.

Do not fear that names of growers you may send us will be used for any other purpose than for the promotion of our, your, association.

They will not be used for personal gain. If you ever find that the names you send to your Acting President are being willfully used for personal gain, for the purpose of selling ginseng nursery stock, you are hereby not only permitted, but requested, to say so publicly. This statement should give you ample protection; for if violated, it will give you a clear case of breach of trust against your Acting President, which you would have no trouble to make "stick" legally. For, if you will make commercial investigations, you will find that your Acting President is amply responsible, financially, for anything he does and says.

If you have the welfare of our, your, association at heart, send us names of growers. The writer has contributed his own list of about three thousand names, which will perhaps mean a personal loss to him of several thousand dollars. But he is gladly making this sacrifice for the general good of the cause. Others have contributed their personal mailing list. All State Associations have sent their list of members; the Ontario Ginseng Growers' Association of Canada has also sent us a list of its members.

Another loyal friend of the growers, who has the welfare of our association at heart, has recently promised to furnish us a list of two thousand names.

### CANADIAN GROWERS WANTED AS MEMBERS

The question has been asked whether ginseng and goldenseal growers residing in Canada can become or are wanted as members of this association, and as there may be others who do not even write us, we wish to explain, for the benefit of all, that Canadian growers are most welcome to join us in this movement. In fact, it is appreciated that they approve of our organization and show their willingness to join us in this undertaking. The name of the association, we thought, would be sufficient to indicate that Canadian growers are welcome as members, it being the *American* Ginseng Growers' Association, and Canada is in America. So, come ahead, neighbors, send us your name and postoffice address and we shall be pleased to furnish you literature and application blanks.

### ALLOWED TO SELL ROOTS

Another question has come up. Some have written that they heartily approve of the movement, wish to become members of the association, but as it is indefinite when the association might be ready to accept their patronage, they did not wish to bind themselves at this time, for they have roots which they might want to sell before the association becomes active.

In answer to the above, we had thought that the minutes of the Chicago meeting contained in the pamphlet with the By-Laws would imply that no member can be bound by the By-Laws while the association is still in a tentative form. It is plainly stated in the minutes on page 13 of the pamphlet that the association is not to become active until enough members have come in, creating a capital sufficient, so that in the judgment of the Board of Directors it can hope to do business successfully. And certainly as long as the association is not in posi-

tion to accept the patronage of a member, such member could not be legally or morally held by the By-Laws.

However, to remove any doubt, your Board of Directors has taken the following action in the matter:

Whereas, It is not clearly stated in the By-Laws of this Association whether or not members, during the time while the association is still in a tentative form, shall be allowed to sell their product through channels other than this association, and

Whereas, It could hardly be expected that members hold their product until this association becomes active and in position to accept the patronage of such members, be it

Resolved, That so long as this association is in a tentative form and not in position to accept the patronage of its members, that each and every member be allowed to market their product through channels other than this association.

So those of you, who have been in doubt as to the above question and have hesitated to become members at this time on that account, need not hesitate any longer.

### WILL JOIN LATER

Some few inquiries have been received at this office saying in effect that they approve of the movement, and while they do not wish to become members at this time, they will come in later on. To such we would like to say and ask the question, "Did it ever dawn upon you that if all the growers acted thus, that there would, and could, be no association for you to join?" If this movement should fail to be a success, it will be on account of those of you who have been hanging back and waiting to see what the other fellow will do. Of course, such hanging back is to be expected. It is so in most undertakings. Still it should not be so in this undertaking. For no one member is to receive any special benefit. The benefit will be mutual. Everyone will benefit alike. Absolutely no one is feathering his own nest. It seems that some have the idea that they are being "worked" for their money, while the fact is, those of us who are promoting this movement are working for *you*, for *your* interest; we are your servants. Through your representatives at Chicago, you have asked us to do this. Why should you then hang back and retard the progress? Do you not think you are a queer boss, tell us to do something and then refuse to act according to your dictation?

From the above paragraph you might get the impression that the growers are not taking hold of this thing very readily. But such is not the case. While the fact that some people are hanging back is in a way discouraging, we also have other growers who come to the front promptly, which more than offsets the other kind.

For instance, one member, recently, wrote to us as follows:

"Enclosed you will find my application for membership and remittance, \$50.00, for five shares of stock. I must say that this association will be a great help to ginseng and golden-seal growers." Adding, "I have never sold any roots yet and have never been tricked."

You will note here is a grower who has just started a ginseng garden and the first thing he does is to look out for a market. He has

nothing to sell at the present time, does not expect to have anything for three or four years, yet he prepares for the future. Do you not think that some of you older growers, who have roots piled up ready for the market, should take a little more lively interest in this matter?

## DISTRUST OR LACK OF CONFIDENCE

For some reason or other, it seems there exists a certain distrust or lack of confidence in the minds of some of the growers. It seems they have not full confidence in the honesty, business integrity or financial responsibility of those active in the promotion of our association. That this, if allowed to spread, is liable to prove a serious handicap in the association's progress, retard its growth and prolong the time of its becoming active, can hardly be doubted.

For instance: One grower writes in a sarcastic way: "I am too stupid to see how you are going to raise a lot of money and not tell the growers what you are going to do with it.———" We presume this grower meant no harm, but the trend of his letter indicated to us that we did not have his confidence. We further presume that his mind had been poisoned against us by the slander of our opponents, who, in their efforts to hinder the progress of our association, are working hard and who, with a sanctimonious air, under the guise of the "good shepherd," continuously preaching "brotherly love," are resorting to all sorts of subtle means, hoping in their despair that they might defeat our purpose. In order to lend prestige to their contentions, they even quote scripture to substantiate their claims. But when investigated, their motives are found to be purely selfish.

The writer does not at all object to the knocking of our opponents; for, he believes, that the knocker is really our best advertiser. A fair minded person will not be influenced by a knocker. Henry Ford's automobiles are being ridiculed at every turn; it is the best and cheapest advertising Mr. Ford gets. The more people knock, the more automobiles he sells. But in our case it might have the tendency of retarding the progress for a time.

We touch upon this subject fearing that there might be others who harbor such distrust and knowing that, if such should be the case, it might retard the progress of our association, we wish to invite and urge investigation to assure yourself of the business integrity, as well as financial responsibility of your representatives.

As at present, while the association is still in a tentative form, the writer, your Acting President, is above all the one you are asked to trust, you should, for the welfare of our association, as well as for your own welfare, as a grower, make investigation of his standing. It is an easy matter to do. If you are not familiar with the customary method of finding out one's honesty, dishonesty or business ability, let us assist you by telling you how such things are done. You go to your local banker, your lawyer or merchant, (the banker is the better, for the lawyer will perhaps charge you a fee, while merchants often do not know how to proceed in the matter and as it is not in their line of business, they are likely to be careless and give you their individual opinion simply to get rid of you.) But go to your banker. If your own credit is good, he will be more than pleased to find out for you the



standing of the person whom you are asked to trust, no matter where that person may be, whether in this or some foreign country.

So if you harbor any doubt as to the business integrity, etc., of your representatives, please make the proper investigations.

Your Acting President is pleased to be able to refer you, by permission, to the National German American Bank of Wausau, Wisconsin. You may also inquire of any of the following: First National Bank, Marathon County Bank, Citizens State Bank and Wisconsin Valley Trust Co., all of Wausau, Wis., but as most of his business is being done through the first named bank, that institution should be in better position to give you reliable information. He could also refer you to Chicago banks, as well as banks on the Pacific Coast, but the above should suffice.

Please do not think that the writer feels in any way slighted, because people, who do not know him, should harbor distrust. But before letting such a thing keep you from helping yourself, by joining the association, make investigations and thereby do yourself, as well as other growers, a favor.

#### WHAT MONEY RAISED FOR SHARES IS TO BE USED FOR.

This question is answered in part in the Prospectus and By-Laws. But in order to give more light on the subject, it might be stated that the first thing that money will have to be used for after enough has come in, so that, in the judgment of your representatives, our association can hope to do business successfully, is for the purpose of making investigations of the market. This may necessitate sending a man or a delegation of men to China. The fact is, some growers have already written us, saying in effect that we should waste no time at all in making investigations on this side of the water, but go to the seat of our trouble, to China, at once. The writer agrees with them, for as the market for ginseng is in China, that is the only logical place to investigate. But what some few of us think the best way of procedure, will not govern. It is a matter for your Board of Directors to settle. And your Board of Directors, having no desire of spending their own money and that of a few growers in a hopeless effort, will not meet to discuss this matter until enough applications for membership have come in, creating a capital sufficient, so that the association can hope to do business successfully after the investigation of the market has been made.

The writer wishes to assure you that he will endeavor to conduct the affairs of the association in such manner that, whatever will be the outcome, no one may have reason to point at him with scorn or shame, except perhaps our mutual enemy and in his case, we would suggest that when he does the pointing, he should stand before a mirror to see whom he is pointing at.

This may look rather gloomy to some of you, but not so to us. "Just cheer up, the worst is yet to come."

#### RULES TOO STRICT

Some few have written us indicating that the rules of our association as set forth in our By-Laws are too strict. With all such we

wish to plead most earnestly and ask them to try to get out of their mind that an association of this magnitude can be conducted without strict rules based on sound business principles. Strict rules avoid all future controversy and disagreeabilities, where on the other hand, flimsy or fogie rules lead to failure.

Let us profit by what others have done. We are not leaders in this co-operative movement. The California fruit growers, for instance, through their patient efforts covering a period of about twenty years, have developed a most remarkable co-operative marketing association. It is said, that in 1892, the farmer, who is now president of the California Fruit Growers' Exchange, sold his oranges at 10c a box. It had cost him 50c to raise them. Through co-operation, the growers have eliminated the unnecessary middlemen and while in spite of the production of fruit having increased manifold, the growers, through intelligent co-operation, are today receiving a very handsome profit for their labor.

And talk about strict rules! Members of that association bind themselves by an "iron-clad" contract, agreeing to market their crop through the association. And failure to do so, gives the association not only the right to exact a fine, but under the contract the association is legally authorized to enter the orchard of its members, at the member's expense harvest the fruit and sell it.

That association, in its early days, undoubtedly also tried out the "brotherly" method, but it was not until after it adopted strict rules and conducted its affairs along the lines of sound business principles that its undertaking became a success.

## ARE THE GROWERS IN NEED OF AN ASSOCIATION?

Some few seem to be of the opinion that no association is necessary. We hardly know how to answer; for, anyone who has given the matter any thought, cannot help but come to the conclusion that the growers are in most urgent need of an association.

Co-operation in marketing should appeal to every one, especially to the smaller grower. Have you ever noticed how a buyer will slight a small lot of roots, from a few pounds to a hundred pounds? You tell him about it and he will say: "It is hardly worth bothering with, but you send them in and we will pay you a good price,"—the good price part being left entirely to the buyer. If, however, all these small lots were put together at one central point, they will make a large lot and the buyer will be very glad to give it the proper consideration.

Marketing these small lots individually has another more serious bad feature. It has a tendency to lower the price of ginseng in general, which comes about partly because the buyer cannot afford to trouble buying up these small lots separately, except at a low price, and also it is as a rule the small grower who first loses his courage in times of a dull market and he lets go at any old price and congratulates himself for being lucky enough to dispose of his roots before the bottom dropped out entirely and before the Chinese quit using ginseng altogether. The result is, that the buyers, by buying up many of these small lots at low prices, find that all these small lots, when put together, make a big lot and their immediate wants being supplied, they dread paying a higher

price for the larger lots ; consequently, a tendency of a general reduction in prices. But this is not yet the end. The buyer who bought the roots at a low figure is thereby in turn enabled to sell at a low figure to the Chinese exporter, and so on down the line to the consumer. We need co-operation, and need it badly, if we want to successfully continue the culture of ginseng.

To date most growers have not gotten rich at growing ginseng. Some of the growers have not even played even in the undertaking. They may think they have made a profit, but they have not. They have considered the gross receipts a net gain, when, if they had charged up the business with the labor, shade arbor, etc., they would find themselves lucky if the account did not in reality show a net loss.

The writer is personally acquainted with a firm, which, on an investment of \$3700.00 in the growing of ginseng, in eight years' time, made a net profit of over \$41,000.00. Its gardens covered only three-fourths of an acre of ground. So that the money was not made so much in the growing, but was made in the marketing end. Its product was not sold at any old price or at any old time, but was sold judiciously. The prices the firm received for its dried roots were never less than \$4.00 per pound and reached as high as \$10.50 per pound or averaging about \$6.00 per pound.

It would seem that such a successful concern would be amply able to continue marketing its own product, would not bother at all about a co-operative association. But we find it is heartily in favor of our association, for it realizes that, if the present slipshod methods of marketing, practiced by many growers, continues, the time is not far hence when it cannot obtain more for its product than the average grower.

What applies to ginseng, equally applies to goldenseal, so far as marketing is concerned. While the prices obtainable for goldenseal today are fair, it is only a matter of time, unless we co-operate in marketing, when the middlemen will get the profits justly belonging to the growers. Even now, the middlemen are getting more than their just share. The writer recently sold a little less than \$2000.00 worth of goldenseal (mostly fibers) at \$4.90 per pound, but upon investigation found that the druggist was at that time paying \$6.85 per pound to the wholesale druggist. So you see there is \$1.95 per pound going to the middleman even now, most of which should and will go into the pockets of the growers if we co-operate through our association.

Owing to the pressing of the writer's personal business during the months of February and March, he has been unable to give the association matters the attention that it should have received, any further than taking care of the correspondence, which, by the way, has been quite extensive. For the next month or two, we expect to be able to give more time to the affairs of the association.

Please do not let the fact of our being busy make you hesitate to send in your application for membership or write us and ask questions. Let them come right along, both will receive prompt attention.

We would like to be in position to give you at least a monthly report. But, as this would entail some expense, we will, unless the present members think best to go to such an expense, have to contend

ourselves with a brief monthly report in "Special Crops," whose editor, Mr. Goodspeed, has kindly offered to publish anything our association might wish to say free of charge. But as there are some things that for business reasons should not be published in a public publication, it being information that only members are entitled to, we can not tell you all through that publication.

Of course, after our association is once beyond its tentative form, has become active, then it will have a publication of its own, through which its members will be kept constantly informed.

However, if it is the wish of the present members to begin issuing a private publication at this time, advise us to that effect and the matter will be taken up for consideration by your Board of Directors.

Thanking all those of you who have become members for your prompt response, and trusting that we may not only have the application for membership of many others by early mail, but that we may have your continued good will and co-operation in the future as well, we beg to remain,

Yours very truly,

AMERICAN GINSENG GROWERS ASSOCIATION,

By J. H. Koehler, Acting President.

# FINANCIAL STATEMENT AMERICAN GINSENG GROWERS' ASSOCIATION April 30, 1917.

By stock subscriptions to date-----		\$1910.00
To Penn Kirk for advertising-----	\$ 11.25	
To letter files -----	.85	
To Secretary of State, Incorporation fees-----	10.00	
To Stenographer fee at Chicago meeting-----	3.20	
To Recording Articles of Incorporation-----	.25	
To 1 book (name register)-----	.75	
To Mrs. A. L. Kelley, stenog. service at Lansing, Mich. -----	35.10	
To Postals -----	17.55	
To Postage stamps -----	28.10	
To Stamped Envelopes -----	21.06	
To Stationary -----	5.68	
To Telegrams -----	3.53	
To Circulars and Envelopes -----	222.05	
To Balance due on stock subscriptions-----	102.00	
To Nat. Germ. Amer. Bank Certificate of Deposits bearing 3% interest -----	1200	
To Nat. Germ. Amer. Bank deposit subject to check	248.63	
		<hr/>
		\$1910.00 \$1910.00

Respectfully submitted,  
By J. H. Koehler, Acting President,  
AMERICAN GINSENG GROWERS' ASSOCIATION.

State of Wisconsin }  
 } ss.  
 Marathon County }

J. H. Koehler, Acting President of the AMERICAN GINSENG GROWERS' ASSOCIATION, being duly sworn, deposes and says that the above is a true and correct statement as taken from the records of said association.

J. H. Koehler.

Subscribed and sworn to before me this 30th day of April, 1917.

Chas. E. Parker,

Notary Public, Marathon County, Wis.

My commission expires Jan. 26, 1919.

State of Wisconsin }  
 } ss.  
 Marathon County }

H. G. Flieth, Cashier of the National German American Bank of Wausau, Wisconsin, being duly sworn, deposes and says that the amounts of money on deposit to the credit of the AMERICAN GINSENG GROWERS' ASSOCIATION in said bank is true and correct as stated in the above statement.

H. G. Flieth.

Subscribed and sworn to before me this 30th day of April, 1917.

Chas. E. Parker,

Notary Public, Marathon County, Wis.

My commission expires Jan. 26, 1919.

P. S.—Since the above statement was made Jul. Voltz, of Wisconsin has subscribed and paid for 5 shares. Also \$50.00 have since come in on account of balance due on stock subscription—May 10, 1917

### LIST OF MEMBERSHIP

Following is a list of names of those who have made application for membership to April 30, 1917, arranged by States, together with the number of shares subscribed for by each. It might be stated that while many have subscribed for one share only, many of these have stated that they want more later on.

CONNECTICUT			
	No. of Shares		
Frembd, Henry	3	Schuemer, Barney	5
INDIANA		MICHIGAN	
Hetrick, L. B.	3	Brehm, G. A.	5
Wanstrath, Theo.	2	Brigham, Dexter E.	1
IOWA		Brown, Eugene O.	1
Larson, Peter M.	2	Discher, Wm.	5
Peterson, Andrew	1	Dressel, E. L.	1
KANSAS		Enterprise Ginseng Co.	5
Morgan, Benjamin H.	1	Grant, John F.	1
MISSOURI		Hain, R. W.	1
Overton, Robert B.	1	Hayden, Joe	1
		Heimbach, D. U.	1
		Kezar, Walter P.	1
		Knowles, Frank	2



Knowles, L. F. ....	2	Price, W. C. ....	1
Jordan & Bovee ....	2	WES1 VIRGINIA	
Nutting, Burt ....	1	Heldreth, J. A. ....	1
Olney, F. B. ....	5	Lehman, Otto ....	1
Philbin, L. R. ....	1	WASHINGTON	
Pierce, Dale S. ....	3	Gove, D. A. ....	1
Reynolds, W. W. ....	1	WISCONSIN	
Vining, C. W. ....	1	Aderhold, E. C. ....	1
Warren, W. W. ....	10	Ames, J. W. ....	2
MINNESOTA		Anderson, Christ ....	1
Burnett, W. J. ....	1	Bergeson, John F. ....	1
Carlman, Oscar E. ....	2	Buck, Harry E. ....	1
Dittrich, Eugene, ....	1	Crow, Frank M. ....	2
Erkel, F. C. ....	1	Damon, E. D. ....	1
Farrar, C. E. ....	1	Eberlein, M. G. ....	5
Flood, Gust ....	2	Ebert, Ernest J. ....	5
Harper, C. H. ....	2	Foxen, S. T. ....	1
Henning, Mrs. F. A. ....	1	Greenfield, J. Emerson ....	1
Johnson, C. J. ....	1	Griesbach, Wm. F. ....	1
Klatt, William F. ....	1	Hultman, John M. ....	1
Klinkenberg, C. R. ....	1	Johnson, August ....	1
Lord, W. H. ....	1	Jackson, T. J. ....	1
Penrod, W. M. ....	5	Kaufmann, Joseph ....	1
Ritchie, E. E. ....	1	Kirchmeyer, Andrew ....	1
Wilder, E. L. ....	1	Koehler, J. H. ....	5
NORTH CAROLINA		Koehler, Bernhardt ....	1
Sandidge & Gibson Ginseng Co. ....	2	Kurth, Frank ....	3
Welch, John T. ....	1	Lehnkering, C. F. ....	2
NEW YORK		Leykom, C. S. ....	3
Cook, M. W. ....	1	MacLachlan, W. G. ....	1
OHIO		Norin, Geo. W. ....	1
Fleming, H. V. ....	1	Roy, Charles N. ....	1
Hetrick, Tracy ....	1	Schwede, J. G. ....	1
Mercer, W. H. ....	1	Schuchard, Percy ....	2
RHODE ISLAND		Seering, Chas. ....	1
Hantke, Ernest Wm. ....	5	Smith, Ole M. ....	5
SOUTH DAKOTA		Steeps, H. J. ....	1
Faul, Milton ....	1	Stumpf, Paul ....	1
Koehler, Mrs. Aug. ....	1	Taggart, James ....	1
Koehler, S. L. ....	1	Ullmeyer, Christ ....	2
Koehler, Walter ....	2	Vogedes, James ....	1
Koehler, T. B. ....	2	Wagner, Mathias ....	2
TENNESSEE		Westphal & Smith ....	5
Davis, R. A. ....	5	Zahl, W. J. ....	1
VIRGINIA		Zielsdorf, William ....	1
Merrifield, F. E. ....	2	CANADA	
		Guillaume, A. C. ....	1
		Nicholas, John W. ....	1